

# FIML NATURAL RESOURCES, LLC

January 20, 2006

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Whitney

RE: Ute Tribal #3-28-1319  
NENW Sec 28 T-13S R-19E  
Wildcat Field  
Uintah County, Utah

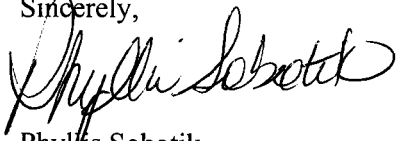
Dear Ms. Whitney:

Enclosed is an original of an application to drill concerning the referenced proposed well.

FIML Natural Resources, LLC (FNR) is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact Cassie Parks at 303-893-5090 or the undersigned at 303-899-5608.

Sincerely,



Phyllis Sobotik  
Operations Regulatory Manager

/ps

Enclosures:

410 17<sup>th</sup> Street, Suite 900 \* Denver, CO 80202 \* (303)893-5073 \* Facsimile (303) 573-0386

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DIV. OF OIL, GAS & MINING

CONFIDENTIAL

CONFIDENTIAL

Form  
(August 2004)UTE INDIAN TRIBE  
DEPARTMENT OF ENERGY AND MINERALS  
APPLICATION FOR PERMIT TO DRILL OR REENTERFORM  
Approved August 20045. Lease Serial No. or EDANo.  
EDA Number UIT-EDA-001-0006. Tribe Name  
Ute7. If Unit or CA Agreement, Name and No.  
N/A8. Lease Name and Well No.  
Ute Tribal 3-28-1319

9. API Well No.

43-047-37641

1a. Type of work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone2. Name of Operator  
FIML Natural Resources, LLC

3a. Address 410 17th St., 9th Floor, Denver, CO 80202

3b. Phone No. (include area code)  
(303) 893-507310. Field and Pool, or Exploratory  
Wildcat

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface

NE/4 NW/4 660' FNL &amp; 1,932' FWL Sec 28 T-13S R-19E

At proposed prod. zone

Same

603183X

4390808Y

39.662744

-109.797142

11. Sec., T. R. M. or Blk. and Survey or Area

Sec 28, T-13S R-19E

14. Distance in miles and direction from nearest town or post office\*  
41.60 miles south southwest of Ouray, Utah12. County  
Uintah13. State  
UT15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any)

660'

16. No. of acres in lease  
64017. Spacing Unit dedicated to this well  
40 Acres18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.

1,717'

19. Proposed Depth  
5,37320. State Bond #  
8193-15-9321. Elevations (Show whether DF, KDB, RT, GL, etc.)  
6,906' GL22. Approximate date work will start\*  
03/26/200623. Estimated duration  
15 days

## 24. Attachments

The following shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Such other site specific information and/or plans as may be required by the Energy and Minerals Department.

25. Signature

Name (Printed/Typed)

Mark D. Bingham

Date

01/18/2006

Title

Senior Vice President

Approved by (Signature)

Name (Printed/Typed)

BRADLEY G. HILL  
ENVIRONMENTAL SCIENTIST III

Date

01-30-06

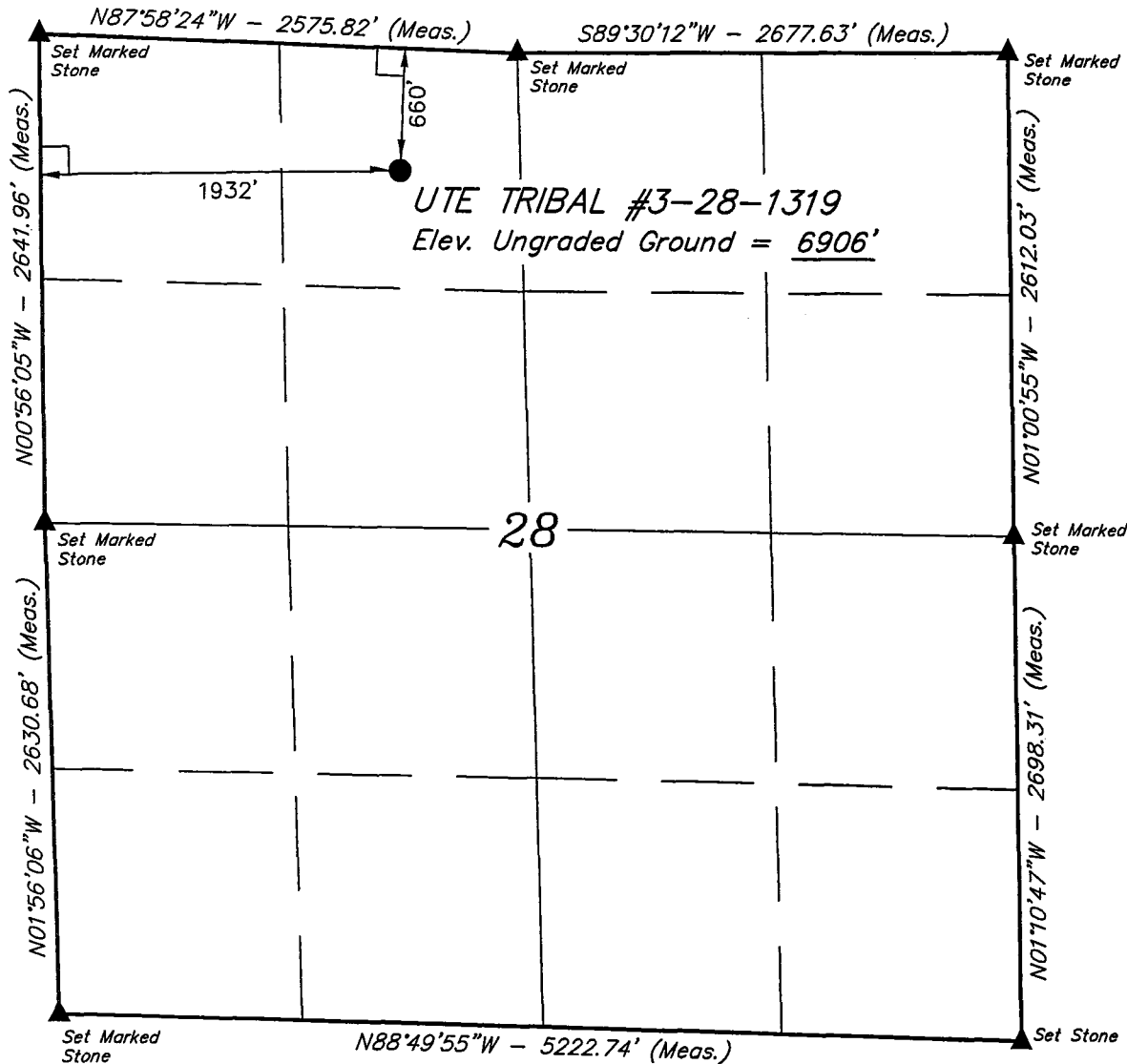
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

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DIV. OF OIL, GAS &amp; MINING

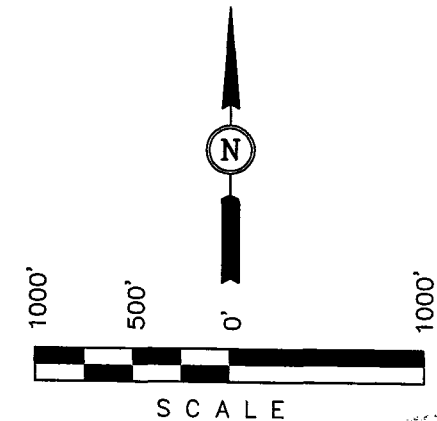
T13S, R19E, S.L.B.&M.



UTE/FNR LLC.  
Well location, UTE TRIBAL #3-28-1319, located as shown in the NE 1/4 NW 1/4 of Section 28, T13S, R19E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

BENCH MARK (47 WF) LOCATED IN THE NW 1/4 OF SECTION 22, T12S, R19E, S.L.B.&M. TAKEN FROM THE DOG KNOLL QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED ON CAP AS BEING 6473 FEET.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*[Signature]*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 151319  
STATE OF UTAH

### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)  
LATITUDE = 39°39'45.64" (39.662678)  
LONGITUDE = 109°47'52.81" (109.798003)  
(AUTONOMOUS NAD 27)  
LATITUDE = 39°39'45.77" (39.662714)  
LONGITUDE = 109°47'50.31" (109.797308)

### LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 7-20-05	DATE DRAWN: 8-15-05
PARTY B.H. B.W. K.G.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE UTE/FNR LLC.	

**UTE/FNR LLC**  
**410 17<sup>th</sup> Street, Suite 900**  
**Denver, Colorado 80202**

**Standard Operating Practices**  
**Revised November 18, 2005**

**Naval Oil Shale Reserve #2**  
**Drilling Through the Top of the Mesa Verde Formation**  
**Uintah County, Utah**

**Drilling Program**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

UTE/FNR LLC is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and the Standard Operating Procedures will be furnished to the field representative(s) to ensure compliance and will be on location during all construction and drilling operations.

Details of the on-site inspection, including the day and time, the weather conditions, and all attending individuals will be submitted with the site specific APD.

**BLM Notification Requirements:**

Location Construction:	48 hours prior to construction of location and access roads.
Location Completion:	Prior to moving the drilling rig to the location.
Spud notice:	At least 24 hours prior to spudding the well.
Casing String & Cementing:	24 hours prior to running casing and cementing each casing string.
BOP & Related Equipment Tests:	At least 24 hours prior to initiating pressure tests.
First Production Notice:	Within 5 days after production from a new well begins or production resumes after an existing well has been off production for more than 90 days.

In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Ute Tribe Energy and Minerals Department, but such approval does not waive the written report requirement.

1. **Estimated Tops of Geological Markers:**

The site specific APD will list the expected formations and their respective estimated depths.

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:**

All usable water, having less than 10,000 ppm total dissolved solids, and any prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine their commercial potential. This information will be reported to the Ute Tribe Energy and Minerals Department.

All water shows and water bearing zones will be reported to the geologic/engineering staff of the Ute Tribe Energy and Minerals Department prior to running the next string of casing or before plugging orders are requested. Filing of the State of Utah form 7 Report of Water Encountered is optional.

All water shows will be reported within one (1) business day after being encountered.

Detected water flows will be sampled, analyzed, and reported to the geologic/engineering staff of the Ute Tribe Energy and Minerals Department. Additional water samples for further analysis will be provided upon request.

The following information will be provided for water shows and samples where applicable:

Location  
Sampled Interval  
Hardness  
Flow Rate

Date Sampled  
Temperature  
pH

State of Utah Water Classification

Dissolved Iron (Fe) (ug/l)  
Dissolved Magnesium (Mg) (mg/l)  
Dissolved Bicarbonate (NaHCO<sub>3</sub>) (mg/l)  
Dissolved Sulfate (SO<sub>4</sub>) (mg/l)  
Dissolved Total Solids (TDS) (mg/l)

Dissolved Calcium (Ca) (mg/l)  
Dissolved Sodium (Na) (mg/l)  
Dissolved Carbonate (CO<sub>3</sub>) (mg/l)  
Dissolved Chloride (Cl) (mg/l)

3. **Pressure Control Equipment:** (Schematic Attached)

UTE/FNR LLC's minimum specifications for pressure control equipment are as follows:

The BOP and related equipment will meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2,000 psi system. Chart recorders will be used for all pressure tests.

Test charts, with individual test results identified, will be maintained on location while drilling and shall be made available to a Ute Tribe Energy and Minerals Department representative upon request.

All required BOP tests and/or drills will be recorded in the IADC report.

The anticipated bottom hole pressure will be less than 2,500 psi.

4. **Proposed Casing and Cementing Program:**

The proposed Casing Program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Casing Size</u>	<u>Type</u>	<u>Conn</u>	<u>Weight (lb/ft)</u>
Surface	1,500'+/-	12-1/4"	8-5/8"	J-55	ST &C	24.0
Production	TD	7-7/8"	4-1/2"	I-80	LT &C	11.6

The proposed casing and cementing program will be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement will receive approval prior to use. The casing setting depth will be calculated to position the casing seat opposite a competent formation, which will contain the maximum pressure to which it will be exposed during drilling operations. Determination of casing setting depth will be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, will be new.

The surface casing will be cemented back to the surface either during the primary cement job or by remedial cementing.

All waiting on cement times will be adequate to achieve a minimum of five hundred (500) psi compressive strength at the casing shoe prior to drilling out.

As a minimum, usable water zones below the surface casing will be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If Gilsonite is encountered while drilling, it will be isolated and/or protected via the cementing program.

Surface casing will have centralizers on the bottom three joints, with a minimum of one (1) centralizer per joint.

Production casing will have one centralizer 10'-15' above the guide shoe, one centralizer directly below the float collar, and one centralizer on every other joint up to 100' above any potential pay zone.

Top plugs will be used to reduce contamination of cement by the displacement fluid. A bottom plug or other acceptable technique, such as a pre-flush fluid, will be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

The cementing program will be as follows:

<u>Production</u>	<u>Type and Amounts</u>
0' - T.D.                      +/-2,500'	<b>Lead Slurry:</b> CBM Light Cement containing 10.0 lbs/sack Gilsonite and 0.25 lbs/sack Flocele. Wt: 10.5 lbs/gal. Yield: 4.29 ft <sup>3</sup> /sk. Mix Water Ratio: 26.05 gals/sk. Calculated at 1,500' of fill (1,000' of fill in open hole plus 500' of fill in 8-5/8"/4-1/2" annulus) with 35% excess in open hole and no excess in 8-5/8"/4-1/2" annulus.
<div style="text-align: center;"> w/15% washout  195 sk Lead  780 sk Tail </div>	
+/-2,500' - T.D.    T.D. - +/-2,500'	<b>Tail Slurry:</b> 50/50 Poz/Premium AG Halliburton Cement containing 2.0% Bentonite, 0.6% Halad R-322, 2.0% Microbond, 5.0% salt, and 0.2% Super CBL. Wt: 14.25 lbs/gal. Yield: 1.25 ft <sup>3</sup> /sk. Mix Water Ratio: 5.45 gals/sk. Calculated fill plus 35% excess.

4

After cementing the surface casing and prior to commencing any test, UTE/FNR LLC will wait long enough for the cement to have at least a compressive strength of 500 psi at the shoe. WOC time will be recorded in the Driller's log.

The spud date will be shown on the first report that is submitted.

A Sundry Notice, Form 3160-5 will be filed with the Ute Tribe Energy and Minerals Department within 30 days after the work is completed. It will contain the following information:

The setting of each string showing the size, grade, weight of casing set, setting depth, amounts and types of cement used, whether the cement was circulated to surface or the top of cement behind casing, the depth of cementing tools used, casing testing methods and results, and the date the work was done.

The following auxiliary well equipment will be used:

A 2" choke manifold and pit level indicator.

An upper Kelly Cock will be kept in the drilling string at all times.

A float will be used in the bit at all times.

A stabbing valve will be available on the rig floor and will fit all rotary connections.

PVT and flow line sensor will be installed before drilling out from under surface casing. Monitoring equipment will be located on rig floor, tool pusher's living quarters and UTE/FNR LLC well site supervisor living quarters.

5. **Drilling Fluids Program:**

<b><u>Interval</u></b>	<b><u>Weight</u></b>	<b><u>Viscosity</u></b>	<b><u>Fluid Loss</u></b>	<b><u>Description</u></b>
0'-1,500'	Air – 8.4	27 - 35	N/A	Air Mist
1,500-T.D.	8.6 – 9.0	35 - 40	10 – 12 cc	KCL/Gel/Water

There will be sufficient mud inventory on location during drilling operations to control any adverse conditions which may arise.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system without prior Ute Energy and Minerals Department approval to ensure adequate protection of fresh water aquifers.

No chemicals subject to reporting under SARA Title III in any amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of in the annulus in association with the drilling, testing, or completing of any wells in the Naval Oil Shale Reserve #2 area.. Furthermore, no hazardous substances, as defined in 40 CFR 355, in

threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of any wells in the Naval Oil Shale Reserve #2 area.

**6. Evaluation Program:**

Daily drilling and completion progress reports will be submitted to the Ute Energy and Minerals Department on a weekly basis.

**Logging Program:**

Compensated Density/Neutron Log; Dual Induction log. These two open hole logs will be run from Total Depth to the base of the surface casing. A Micro log, Sonic log, FMI log, or MRI log may be run on occasion.

A cement bond log (CBL) will be run from plug back total depth within the casing to the top of cement and it will be utilized to determine the bond quality for the production casing. A final copy of the CBL will be submitted to the Ute Energy and Minerals Department.

**Deviation Surveys:**

Surveys will be run at least every five-hundred (500) feet. Surveys will also be taken on every trip.

**Mud Logger:**

A manned/un-manned mud-logging unit will be on location from 200' above the first anticipated pay zone to Total Depth.

**Sampling:**

Dry samples will be taken every thirty (30) feet from the depths that are mud-logged. All samples with any type of shows will be saved for one (1) year.

**Drill Stem Tests;**

All Drill Stem Tests (DST) will be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Ute Energy and Minerals Department. DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor proof for safe conditions). Packers can be released, but tripping will not begin before daylight unless prior approval is obtained from the Ute Energy and Minerals Department.

**Cores:**

When necessary.

**Completion:**

The "Well Completion and Re-Completion Report and Log" (Form 3160-4) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164, whether the well is completed as a dry hole or a producer. One copy of all logs, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4.

Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Ute Energy and Minerals Department.

7. **Abnormal Conditions:**

No abnormal conditions are anticipated in the Upper Mesa Verde/Wasatch zones.

8. **Anticipated Starting Dates and Notification of Operations:**

Drilling Activity:

Drilling activity will begin after the site specific APD has been approved, the access road and location have been built, and a drilling rig contracted.

When possible, the surface hole will be drilled and surface casing set and cemented with a rathole rig. The drilling rig will move in after surface casing has been set and will drill the hole to Total Depth. Approximately ten (10) working days will be required to drill the hole including the surface hole operations.

Longstring cement will set for a minimum of 72 hours. Well completion operations should take approximately seven (7) working days.

Notification of Operations:

The Ute Energy and Minerals Department will be notified at least 24 hours prior to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m. – 4:30 p.m., Monday – Friday except holidays).

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from the well to be placed in suspended status without prior approval from the Ute Energy and Minerals Department. If operations are to be suspended, prior approval of the Ute Energy and Minerals Department will be obtained and notification given before resumption of operations.

A completion rig will be used for completion operations.

**Immediate Report:** Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

UTE/FNR LLC will report production data to the Ute Energy and Minerals Department and the State of Utah Oil, Gas and Mining Division. Production reporting will start with the month in which operations commence and continue each month until the well is physically plugged and abandoned.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the Ute Energy and Minerals Department will be notified when the well is placed in a producing status. Such notification will be sent by written communication no later than 5 days following the date when the well is placed on production.

Produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the Ute Energy and Minerals Department.

Pursuant to NTL-4A, UTE/FNR LLC is authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the Ute Energy and Minerals Department and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram will be submitted to the Ute Energy and Minerals Department within 60 days of installation or first production, whichever occurs first. All site security regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Well abandonment operations will not be commenced without the prior approval of the Ute Energy and Minerals Department. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Ute Energy and Minerals Department. A "Subsequent Report of Abandonment will be filed with the Ute Energy and Minerals Department within 30 days following completion of the well for abandonment. The report will indicate placement of the plugs and current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the APD or approved abandonment notice has been completed to the satisfaction of the Ute Energy and Minerals Department.

UTE/FNR LLC will ensure that its exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws, to the extent to which they are applicable on Indian lands.

**9. Other Information:**

All loading lines will be placed inside the berm surrounding the tank battery for new locations, and as existing locations are maintained.

All off-lease storage, off-lease measurement, or co-mingling on-lease or off-lease will have prior written approval from the Ute Energy and Minerals Department.

The gas meter will be calibrated and any production tank will be strapped in place prior to any deliveries of gas or oil. Tests for meter accuracy will be conducted following the initial installation or following any repair and at least quarterly thereafter. The Ute Energy and Minerals Department will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Ute Energy and Minerals Department. All measurement facilities will conform to API and AGA standards, Onshore Oil & Gas Order No. 4, and Onshore Oil & Gas Order No. 5 for natural gas and liquid hydrocarbon measurements.

Deviations from the proposed drilling and/or workover program will be approved by the Ute Energy and Minerals Department. Safe drilling and operating practices will be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.

Form 3160-5 "Sundry Notice and Report in Wells" will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

In accordance with Section 102 (b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of Title 43 CFR 3162.4-1(c), "not later than the 5<sup>th</sup> business day after any well begins production on which royalty is due anywhere on the lease site or allocated to a lease site, resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the Ute Energy and Minerals Department by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

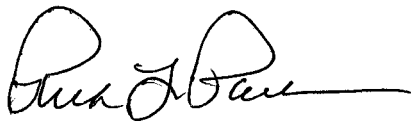
**SELF CERTIFICATION STATEMENT**

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that FIML Natural Resources, LLC is considered to be the operator of the following well.

Ute Tribal 3-28-1319  
NE/4 NW/4 660' FNL 1,932' FWL Sec 28, T-13S, R-19E, S.L.B.&M.  
EDA Number UIT-EDA-001-000  
Uintah County, Utah

FIML Natural Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.

A handwritten signature in black ink, appearing to read "Rick L. Parks", with a long horizontal flourish extending to the right.

Rick L. Parks  
Operations Manager  
FIML Natural Resources, LLC  
410 17<sup>th</sup> Street  
9<sup>th</sup> Floor  
Denver, Colorado 80202  
(303) 893-5081

**UTE/FNR LLC**  
**Managed and Operated by FIML Natural Resources, LLC**

**Ute Tribal 3-28-1319**  
**NE/4 NW/4 660' FNL 1,932' FWL Section 28 T-13S R-19E**  
**Uintah County, Utah**  
**EDA Number UIT-EDA-001-000**

**DRILLING PROGRAM**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

UTE/FNR LLC is responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and the Standard Operating Procedures will be furnished to the field representative(s) to ensure compliance and will be on location during all construction and drilling operations.

**1. Estimated Tops of Geological Markers:**

<b>Formation</b>	<b>Depth</b>
Green River	Surface
Wasatch	2,669'
Mesa Verde	5,123'
Total Depth	5,373'

**2. Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:**

<b>Substance</b>	<b>Formation</b>	<b>Depth</b>
Oil/Gas	Wasatch	2,669'
Oil/Gas	Mesa Verde	5,123'

All usable water, having less than 10,000 ppm total dissolved solids, and any prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine their commercial potential. This information will be reported to the Ute Tribe Energy and Minerals Department.

All water shows and water bearing zones will be reported to the Ute Tribe Energy and Minerals Department within one (1) business day after being encountered. Filing of the State of Utah form 7 Report of Water Encountered is optional.

**3. Pressure Control Equipment:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

4. **Proposed Casing and Cementing Program:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

5. **Drilling Fluids Program:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

6. **Evaluation Program:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

7. **Abnormal Conditions:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

8. **Anticipated Starting Dates and Notification of Operations:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

9. **Other Information:**

Please refer to UTE/FNR LLC Standard Operating Procedure (SOP Version: Revised November 18, 2005).

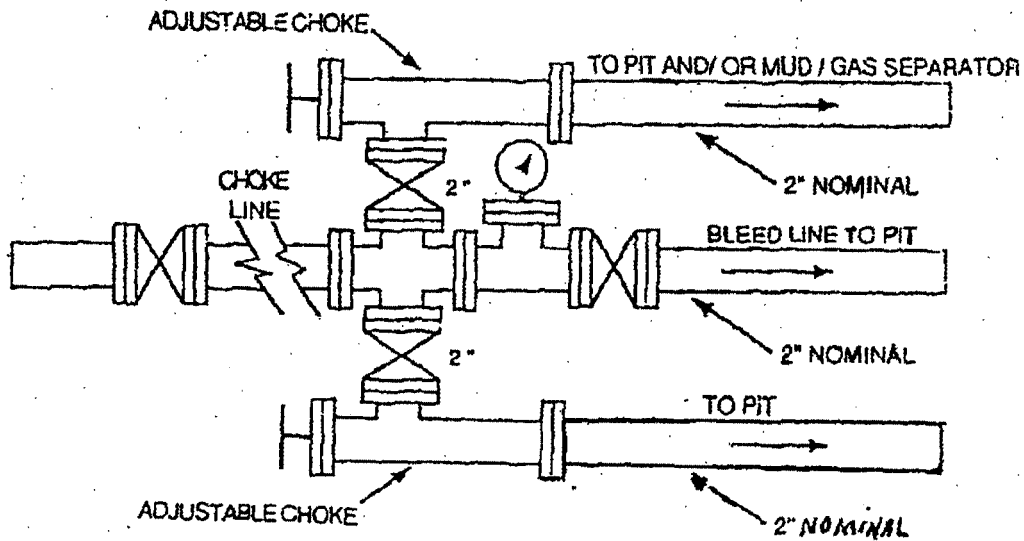
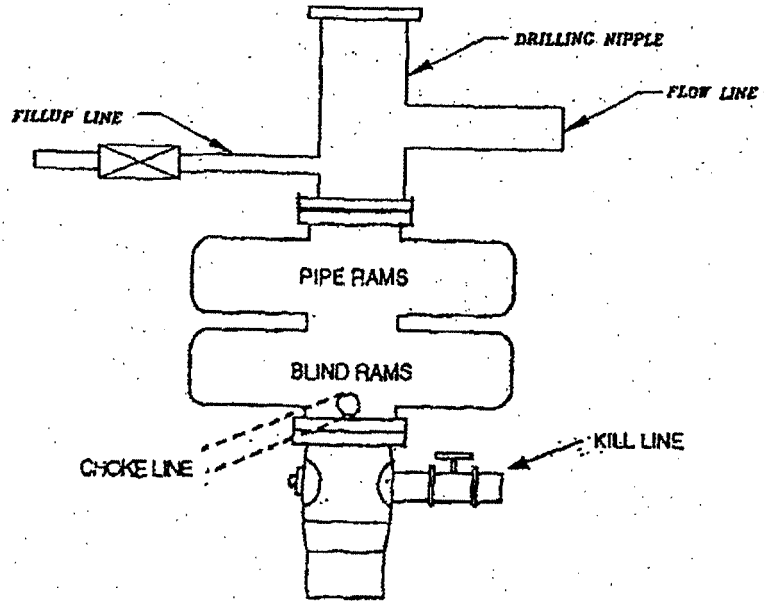
# 2M SYSTEM

## BLOWOUT PREVENTER FOR HIGH PRESSURE WELLS

### 900 SERIES MINIMUM

### 2000# psi W.P.

### BOP 6" X 3000 PSI or 10" X 3000 PSI



**UTE/FNR LLC**  
**Managed and Operated by FIML Natural Resources, LLC**

**Ute Tribal 3-28-1319**  
**NE/4 NW/4 660' FNL 1,932' FWL Section 28 T-13S R-19E**  
**Uintah County, Utah**  
**EDA Number UIT-EDA-001-000**

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. Existing Roads**

- A. Proceed in a westerly direction from Vernal, Utah along U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88. Turn left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah. Proceed south out of Ouray for 9.1 miles to the Seep Ridge Road. Turn right and follow Seep Ridge Road in a southerly direction approximately 4.0 miles to the Black Bridge. Cross the Black Bridge and turn left. Proceed in a southerly direction for approximately 28.5 miles. Turn northwest on the proposed access road for the proposed Ute Tribal 13-21-1319 for 0.15 miles. Turn northeast and continue for approximately 140' to the proposed Ute Tribal 3-28-1319 location.
- B. The proposed well site is located approximately 41.6 miles south southwest of Ouray, Utah – See attached Topographic Map “A”.
- C. Refer to attached Topographic Map “A”.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

**2. Planned Access Roads**

See Topographic Map “B” for the location of the proposed access road.

**3. Location of existing wells within a one mile radius of proposed well location**

See Topographic Map “C” for the location of existing wells within a one-mile radius.

**4. Location of Existing and /or Proposed Facilities**

Please refer to UTE/FNR LLC Standard Operating Practices (SOP  
Version: November 18, 2005).

**5. Location and Type of Water Supply**

- A. Water supply will be from the Ute Tribal 6-11-1219 water well. The State Water Right number is 43-10447 and the well is located in Section 6, T-12S, R-19E, Uintah County, Utah.
- B. Water will be hauled by JN Trucking, Inc.

**6. Source of Construction Materials**

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

**7. Method of Handling Waste Materials**

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

**8. Ancillary Facilities**

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

**9. Well Site Layout**

The attached Location Layout diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s) and top soil stockpile(s).

**10. Plans for Restoration of the Surface**

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

**11. Surface Ownership**

Access Road: Ute Indian Tribe  
Location: Ute Indian Tribe

**12. Other Information**

Please refer to UTE/FNR LLC Standard Operating Practices (SOP Version: November 18, 2005).

**13. Operator's Representative and Certification**

Name: Rick L. Parks

Address: 410 17<sup>th</sup> Street  
9<sup>th</sup> Floor  
Denver, Colorado 80202

Phone No. 303-893-5081


Cellular No. 303-229-7689

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. FIML Natural Resources, LLC is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

**Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with operations proposed herein will be performed by FIML Natural Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it was approved.

1/19/06  
Date

  
Rick L. Parks  
Operations Manager  
FIML Natural Resources, LLC

## **EPA's LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES**

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide waste
- Radioactive tracer wastes
- Drums, insulation, and miscellaneous solids

**UTE/FNR LLC.**  
**UTE TRIBAL #3-28-1319**  
LOCATED IN UTAH COUNTY, UTAH  
SECTION 28, T13S, R19E, S.L.B.&M.

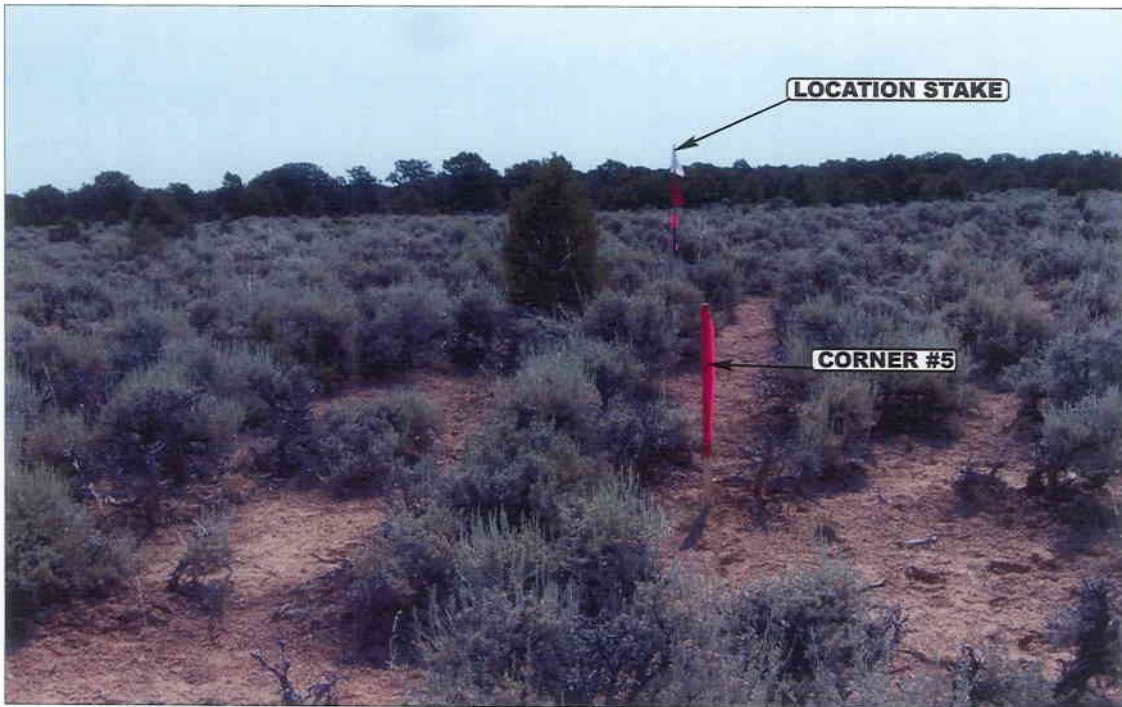


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

**LOCATION PHOTOS**

**08** **17** **05**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: B.H.

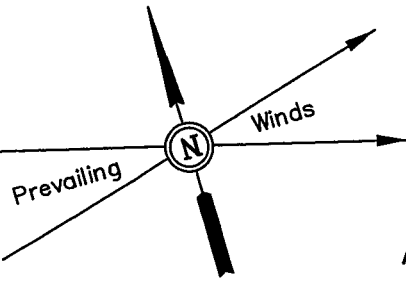
DRAWN BY: C.P.

REVISED: 00-00-00

# UTE/FNR LLC.

## LOCATION LAYOUT FOR

UTE TRIBAL #3-28-1319  
SECTION 28, T13S, R19E, S.L.B.&M.  
660' FNL 1932' FWL



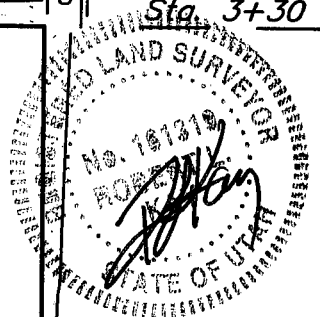
SCALE: 1" = 50'  
DATE: 8-15-05  
DRAWN BY: K.G.

F-3.7'  
El. 901.3'

Approx.  
Toe of  
Fill Slope

F-4.4'  
El. 900.6'

Sta. 3+30



### NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Flare Pit C-0.1'  
El. 905.1'

C-10.1'  
El. 905.1'  
(Btm. Pit)

Reserve Pit Backfill  
& Spoils Stockpile

10' WIDE BENCH

Total Pit Capacity  
1/2' of Freeboard  
= 12,810 Bbls. ±  
Total Pit Volume  
= 3,590 Cu. Yds.

RESERVE PITS  
(10' Deep)

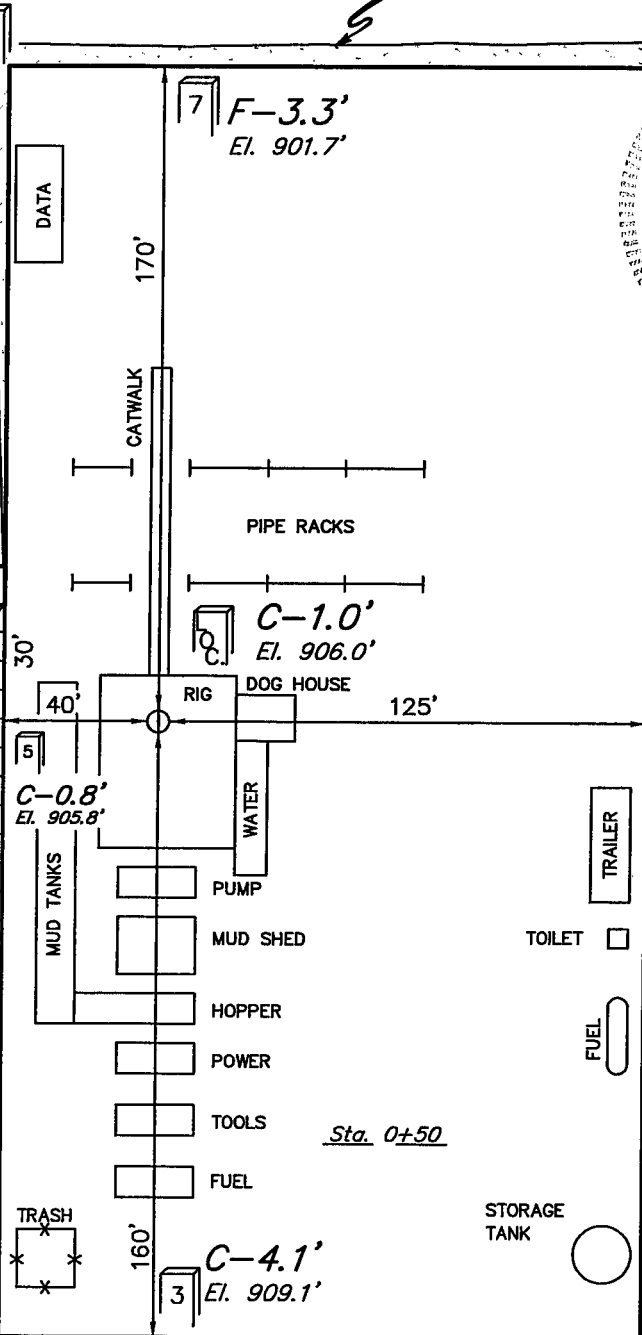
1 1/2:1 Slope

C-13.6'  
El. 908.6'  
(Btm. Pit)

C-3.8'  
El. 908.8'

Elev. Ungraded Ground at Location Stake = 6906.0'

Elev. Graded Ground at Location Stake = 6905.0'



Sta. 0+50

Sta. 1+60

F-0.7'  
El. 904.3'

Sta. 0+00

Approx.  
Top of  
Cut Slope

Proposed Access  
Road

UINTAH ENGINEERING & LAND SURVEYING  
86 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

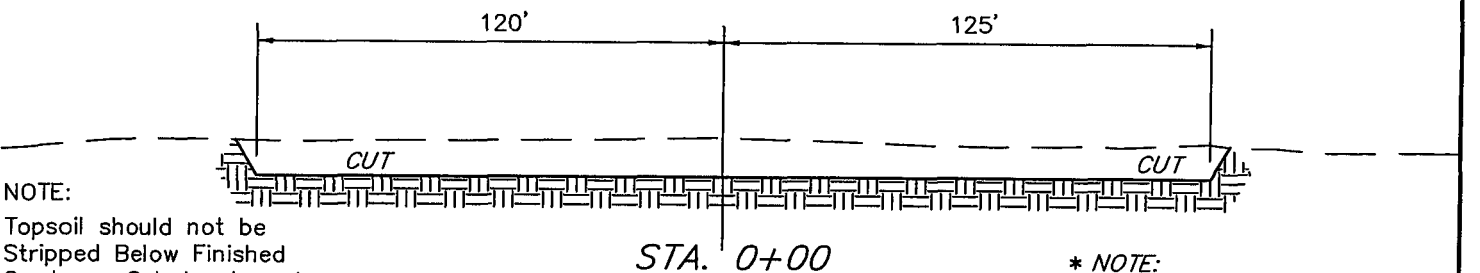
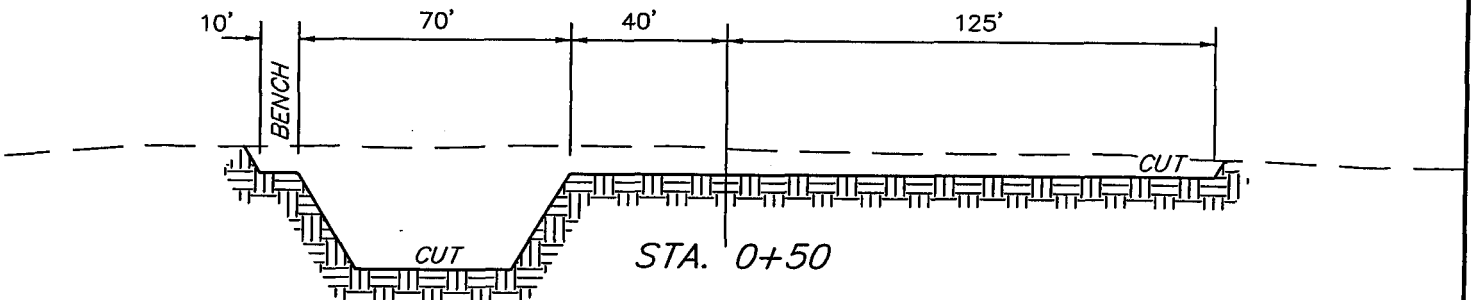
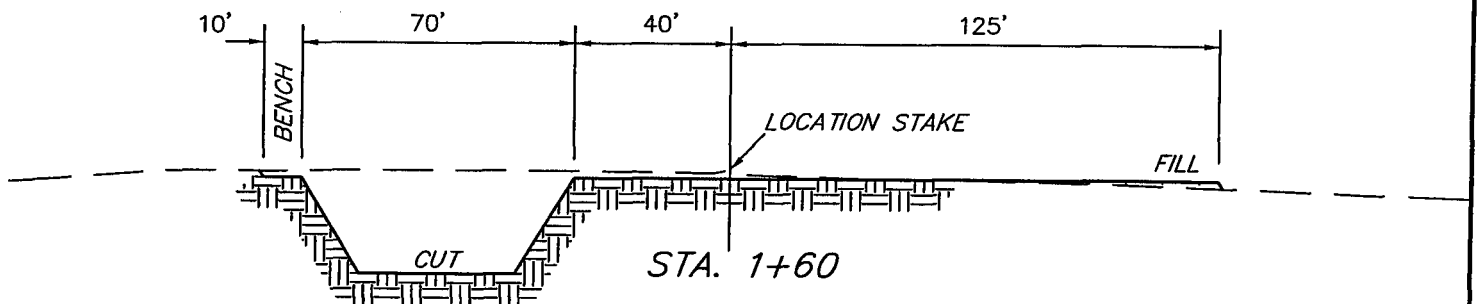
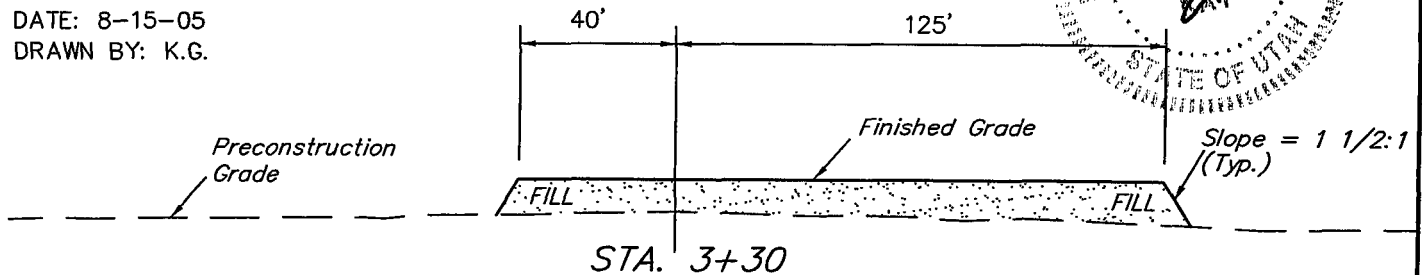
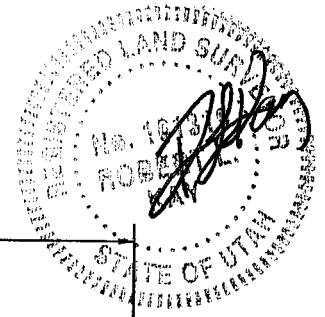
# UTE/FNR LLC.

## TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #3-28-1319  
SECTION 28, T13S, R19E, S.L.B.&M.  
660' FNL 1932' FWL

1" = 20'  
X-Section  
Scale  
1" = 50'

DATE: 8-15-05  
DRAWN BY: K.G.



NOTE:  
Topsoil should not be  
Stripped Below Finished  
Grade on Substructure Area.

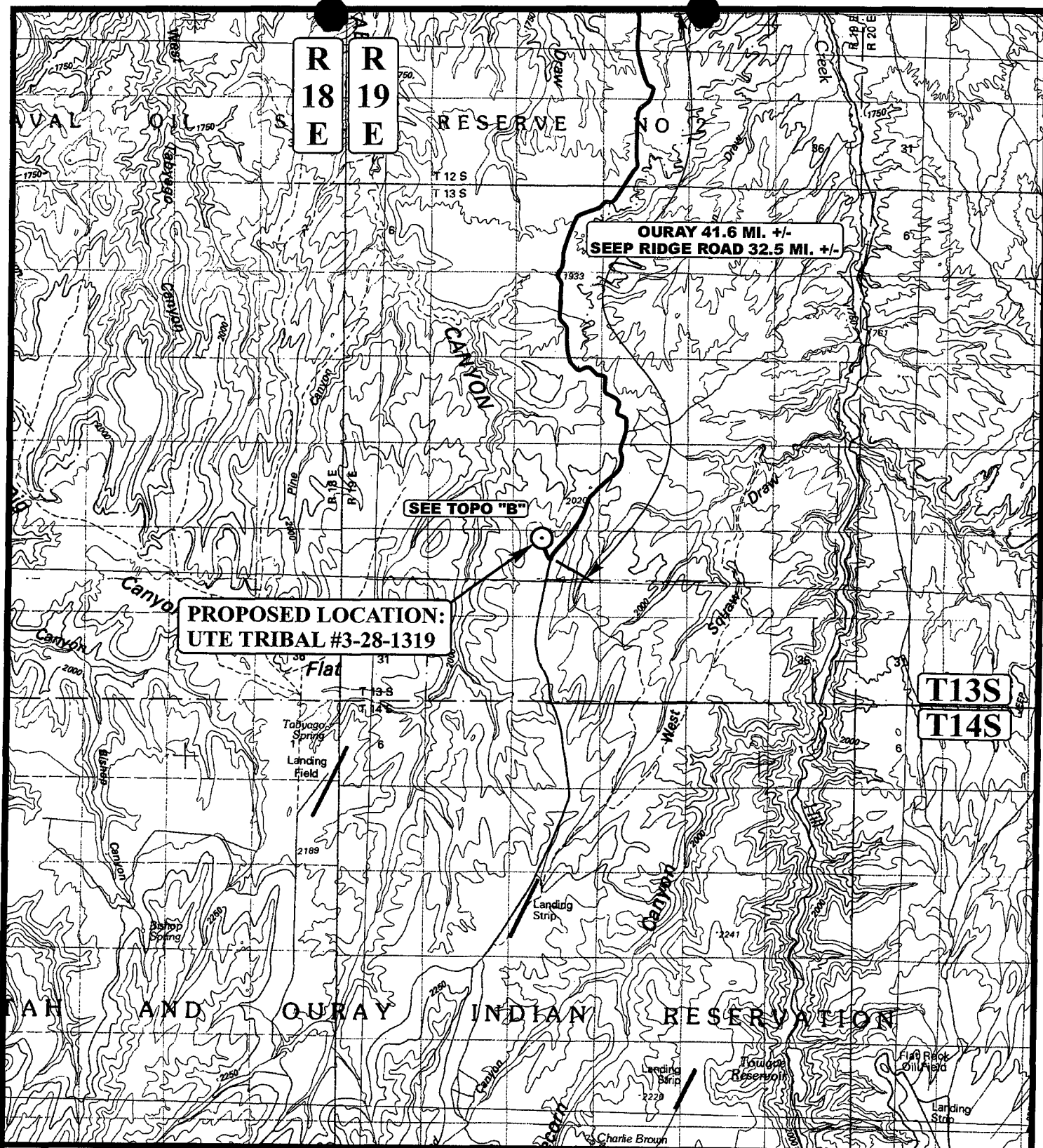
\* NOTE:  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

### APPROXIMATE YARDAGES

CUT  
(12") Topsoil Stripping = 2,910 Cu. Yds.  
Remaining Location = 5,250 Cu. Yds.  
TOTAL CUT = 8,160 CU.YDS.  
FILL = 3,450 CU.YDS.

EXCESS MATERIAL = 4,710 Cu. Yds.  
Topsoil & Pit Backfill  
(1/2 Pit Vol.) = 4,710 Cu. Yds.  
EXCESS UNBALANCE = 0 Cu. Yds.  
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



# LEGEND:

○ PROPOSED LOCATION

N

UTE/FNR LLC.

UTE TRIBAL #3-28-1319  
SECTION 28, T13S, R19E, S.L.B.&M.  
660' FNL 1932' FWL



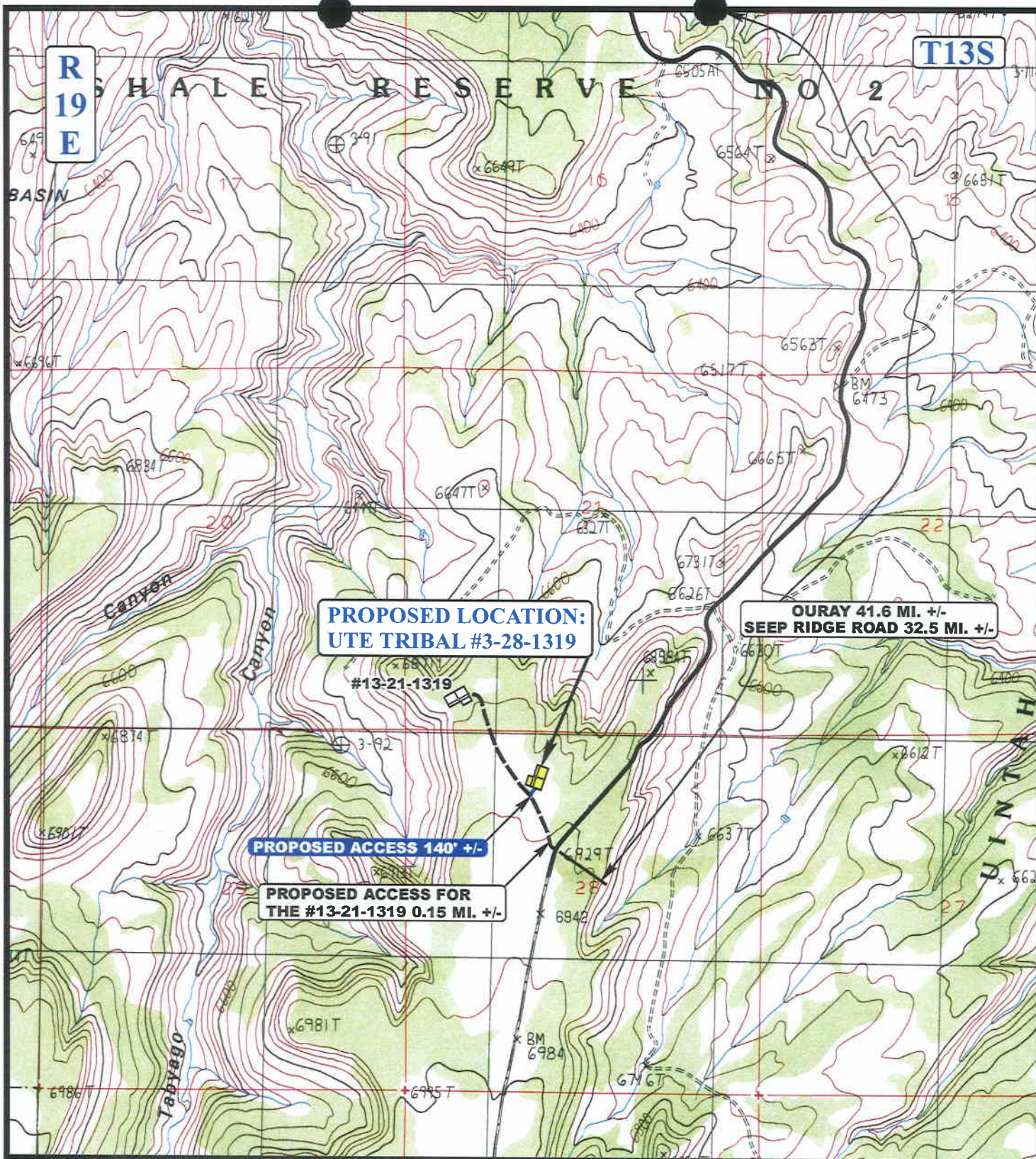
Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

08 17 05  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





# **LEGEND:**

— EXISTING ROAD

- - - PROPOSED ACCESS ROAD

**N**

**UTE/FNR LLC.**

**UTE TRIBAL #3-28-1319**  
**SECTION 28, T13S, R19E, S.L.B.&M.**  
**660' FNL 1932' FWL**

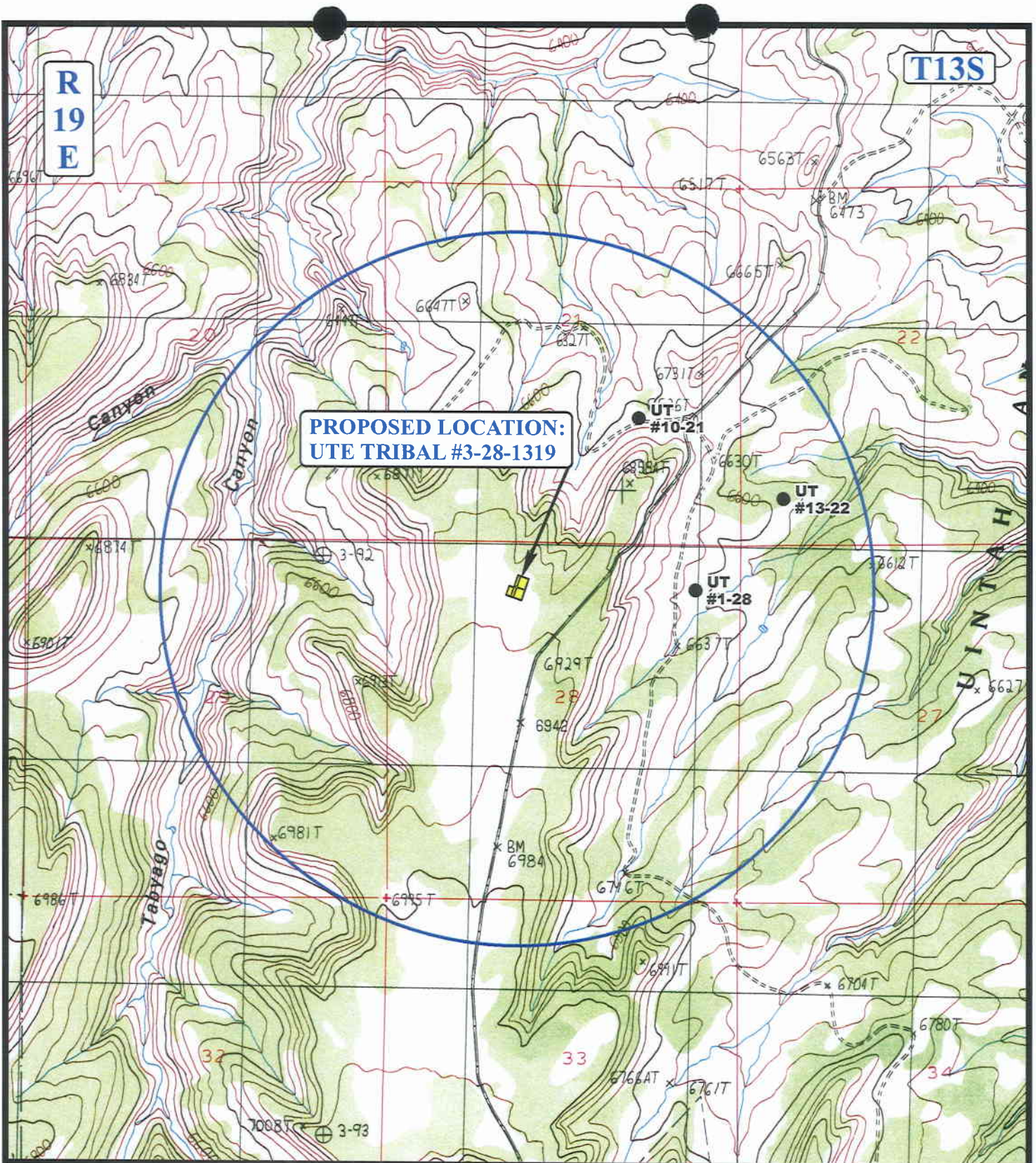


**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC MAP** **08 17 05**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





# **LEGEND:**

- |                   |                         |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS  | ⊗ WATER WELLS           |
| ● PRODUCING WELLS | ⊕ ABANDONED WELLS       |
| ⊖ SHUT IN WELLS   | ● TEMPORARILY ABANDONED |



**UTE/FNR LLC.**

**UTE TRIBAL #3-28-1319  
SECTION 28, T13S, R19E, S.L.B.&M.  
660' FNL 1932' FWL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC MAP**  
08 17 05  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00



**D**  
**TOPO**

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/24/2006

API NO. ASSIGNED: 43-047-37641

WELL NAME: UTE TRIBAL 3-28-1319

OPERATOR: FIML NATURAL RESOURCES ( N2530 )

PHONE NUMBER: 303-893-5073

CONTACT: MARK BINGHAM

PROPOSED LOCATION:

NENW 28 130S 190E

SURFACE: 0660 FNL 1932 FWL

BOTTOM: 0660 FNL 1932 FWL

COUNTY: Uintah

LATITUDE: 39.66274 LONGITUDE: -109.7971

UTM SURF EASTINGS: 603183 NORTHINGS: 4390808

FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	Ded	1/30/06
Geology		
Surface		

LEASE TYPE: 2 - Indian

LEASE NUMBER: UIT-EDA-001-000

PROPOSED FORMATION: MVRD

SURFACE OWNER: 2 - Indian

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. 8193-15-93 )
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit  
(No. 43-10447 )
- ☒ RDCC Review (Y/N)  
(Date: )
- ☒ Fee Surf Agreement (Y/N)
- ☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

- ☐ R649-2-3.
- Unit: \_\_\_\_\_
- ☒ R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ☐ R649-3-3. Exception
- ☐ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- ☐ R649-3-11. Directional Drill

COMMENTS:

*See, Separate File*

STIPULATIONS:

- 1- Spacing Strip*
- 2- Surface Cos Cont St. p*
- 3- STATEMENT OF BASIS*

T13S R19E

UTE TRIBAL  
1-29-1319

UTE TRIBAL  
3-28-1319

UTE TRIBAL  
1-28-1319

UTE TRIBAL  
13-22-1319

UTE TRIBAL  
5-28-1319

UTE TRIBAL  
5-27-1319

28

UTE TRIBAL  
11-28-1319

UTE TRIBAL  
9-28-1319

UTE TRIBAL  
13-28-1319

UTE TRIBAL  
15-28-1319

UTE TRIBAL  
13-27-1319

UTE TRIBAL  
1-33-1319

OPERATOR: FIML NAT RES LLC (N2530)

SEC: 28 T. 13S R. 19E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

**Field Status**  
 ABANDONED  
 ACTIVE  
 COMBINED  
 INACTIVE  
 PROPOSED  
 STORAGE  
 TERMINATED

**Unit Status**  
 EXPLORATORY  
 GAS STORAGE  
 NF PP OIL  
 NF SECONDARY  
 PENDING  
 PI OIL  
 PP GAS  
 PP GEOTHERML  
 PP OIL  
 SECONDARY  
 TERMINATED

**Wells Status**  
 GAS INJECTION  
 GAS STORAGE  
 LOCATION ABANDONED  
 NEW LOCATION  
 PLUGGED & ABANDONED  
 PRODUCING GAS  
 PRODUCING OIL  
 SHUT-IN GAS  
 SHUT-IN OIL  
 TEMP. ABANDONED  
 TEST WELL  
 WATER INJECTION  
 WATER SUPPLY  
 WATER DISPOSAL  
 DRILLING



PREPARED BY: DIANA WHITNEY  
 DATE: 26-JANUARY-2006

**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** FIML Natural Resources, LLC  
**WELL NAME & NUMBER:** Ute Tribal 3-28-1319  
**API NUMBER:** 43-047-37641  
**LOCATION:** 1/4,1/4 NENW Sec: 28 TWP: 13S RNG: 19E 660' FNL 1932' FWL

**Geology/Ground Water:**

FIML proposes to set 1,500 feet of surface casing cemented to the surface. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The base of the moderately saline water is estimated at 3,000 feet. The surface formation at the proposed location is the Green River Formation. The Green River Formation is made up of interbedded sandstones, limestones and shales. This location is in a recharge area for the aquifers of the upper Green River Formation and fresh water can be expected to be found in the upper Green River. The proposed casing and cementing program should cover the entire Green River section and adequately protect the Green River aquifer.

**Reviewer:** Brad Hill **Date:** 01-30-2006

**Surface:**

The Ute Indian Tribe is the surface owner at this location. The operator is responsible for obtaining any needed permits or rights of way before causing any surface disturbance or drilling.

**Reviewer:** Brad Hill **Date:** 01-30-2006

**Conditions of Approval/Application for Permit to Drill:**

None.

## Casing Schematic

Green River

Surface

TOC @  
0.TOC @  
0.8-5/8"  
MW 8.4  
Frac 19.3Surface  
1500. MDBHP

$$(1052)(9)(5373) = 2514$$

Anticipate &lt; 2500

Gao

$$(1.12)(5373) = 644$$

MASP = 1870

BOPE - 2,000 ✓

Surf csg - 2952

70% = 2065

Max pressure @ Surf/csg shoe = 1662

Test To ~~1700~~ # (propose 1500) ✓  
(± 1350 psi surface)

✓ Adequate Dued 1/30/06

4-1/2"  
MW 9.Production  
5373. MD

w/ 8% Washout

150 sks lead

230 sks Tail

✓ \* Surface Stop

1018  
TOC Tail

- 2479 TOC Tail

- 2669 Wasatch

✓ w/ 15% Washout

195 sks lead

780 sks ~~Lead~~ Tail

- 5123 Mesavende

Well name:

01-06 FIML Ute Tribal 3-28-1319

Operator: FIML Natural Resources LLC

String type: Surface

Project ID:

43-047-37641

Location: Uintah County

**Design parameters:****Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 86 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 1,320 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 1,500 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 1,311 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,373 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 2,512 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 1,500 ft  
Injection pressure 1,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1500	8.625	24.00	J-55	ST&C	1500	1500	7.972	72.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	655	1370	2.093	1500	2950	1.97	31	244	7.76 J

Prepared Clinton Dworshak  
by: Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 810-359-3940

Date: January 27, 2006  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 1500 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>01-06 FIML Ute Tribal 3-28-1319</b>		
Operator:	<b>FIML Natural Resources LLC</b>		
String type:	Production	Project ID:	43-047-37641
Location:	Uintah County		

**Design parameters:**

**Collapse**

Mud weight: 9.000 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 140 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 1,867 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,512 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 4,650 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5373	4.5	11.60	J-55	LT&C	5373	5373	3.875	124.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2512	4960	1.974	2512	5350	2.13	54	162	3.00 J

Prepared Clinton Dworshak  
by: Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 810-359-3940

Date: January 27, 2006  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 5373 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



**State of Utah**

**Department of  
Natural Resources**

**MICHAEL R. STYLER**  
*Executive Director*

**Division of  
Oil, Gas & Mining**

**JOHN R. BAZA**  
*Division Director*

**JON M. HUNTSMAN, JR.**  
*Governor*

**GARY R. HERBERT**  
*Lieutenant Governor*

January 30, 2006

**FIML Natural Resources, LLC**  
410 17th St., 9th Floor  
Denver, CO 80202

Re: Ute Tribal 3-28-1319 Well, 660' FNL, 1932' FWL, NE NW, Sec. 28,  
T. 13 South, R. 19 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37641.

Sincerely,

**Gil Hunt**  
Associate Director

pab  
Enclosures

cc: **Uintah County Assessor**  
**Bureau of Land Management, Vernal District Office**

Operator: FIML Natural Resources, LLC  
Well Name & Number Ute Tribal 3-28-1319  
API Number: 43-047-37641  
Lease: UIT-EDA-001-000

Location: NE NW                      Sec. 28                      T. 13 South                      R. 19 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4 The lands subject to this application and the associated mineral rights have been transferred to the Ute Indian Tribe as fee lands, and not as part of the reservation lands pursuant to Public Law 106-398, the Floyd D Spence National Defense Authorization Act for Fiscal Year 2001. The Division on behalf of the State of Utah has been directed by Utah Code §§40-6-1 *et seq.* to exercise jurisdiction over all oil and gas exploration and development on all lands within the State of Utah, in order to promote the greatest economic recovery of oil and gas, and to protect the interests of the general public in the natural resources of the state. **The operator is responsible for obtaining the proper permits from both the State of Utah, Division of Oil Gas and Mining, and from the Ute Indian Tribe for all oil and gas related activities that may be permitted and under the regulations of the State of Utah or the Ute Indian Tribe.**

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Surface casing shall be cemented to the surface.
7. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UIT-EDA-001-000
2. NAME OF OPERATOR: FIML Natural Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute
3. ADDRESS OF OPERATOR: 410 17th Street Ste 900 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL 1,932' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 28 13S 19E		8. WELL NAME and NUMBER: Ute Tribal 3-28-1319
PHONE NUMBER: (303) 893-5090		9. API NUMBER: 4304737641
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Uintah
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 5/1/2007	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for drilling permit extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FIML Natural Resources, LLC requests the permit to drill be extended. Further evaluation of the area is needed prior to drilling this well.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-07-09  
By: [Signature]

NAME (PLEASE PRINT) Cassandra Parks TITLE Operations Assistant  
SIGNATURE [Signature] DATE 2/2/2007

(This space for State use only)

FEB 05 2007

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-37641  
**Well Name:** Ute Tribal #3-28-1319  
**Location:** NENW 660' FNL 1,932' FWL Sec 28 T13S R19E  
**Company Permit Issued to:** FIML Natural Resources, LLC  
**Date Original Permit Issued:** 1/30/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
Signature

2/2/2007  
Date

Title: Operations Assistant

Representing: FIML Natural Resources, LLC

FEB 05 2007

DIV OF OIL, GAS & LEASES

UTE INDIAN TRIBE  
DEPARTMENT OF ENERGY AND MINERALS

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form APD for such proposals.

FORM  
Approved August 2004

5. Lease Serial No. or EDA No.  
EDA # UIT-EDA-001-000

6. Tribe Name  
Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
Ute Tribal 3-28-1319

9. API Well No.  
43-047-37641

10. Field and Pool, or Exploratory Area  
Wildcat

11. County  
Uintah

SUBMIT IN TRIPLICATE

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
FIML Natural Resources, LLC

3a. Address  
410 17th Street, Suite 900 Denver, CO 80202

3b. Phone No. (include area code)  
303-893-5073

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
NENW 660' FNL 1932' FWL Sec 28 T-13S R-19E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Request for Permit Extension
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the State of Utah. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form Completion shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

FIML Natural Resources, LLC requests the permit to drill be extended. Further evaluation of the area is needed prior to drilling this well.

State of Utah, Division of Oil, Gas & Mining Surety Bond No. 8193-15-93

Approved by the  
Utah Division of  
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 2-7-2008

Initials: KS

Date: 02-07-08

By: [Signature]

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Cassandra Parks

Title Regulatory Specialist

Signature

Date

2/5/2008

THIS SPACE FOR UTE INDIAN TRIBE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

RECEIVED

FEB 06 2008

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-37641  
**Well Name:** Ute Tribal #3-28-1319  
**Location:** NENW 660' FNL 1,932' FWL Sec 28 T13S R19E  
**Company Permit Issued to:** FIML Natural Resources, LLC  
**Date Original Permit Issued:** 1/30/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒


Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

  
\_\_\_\_\_  
Signature

2/5/2008  
\_\_\_\_\_  
Date

Title: Regulatory Specialist

Representing: FIML Natural Resources, LLC

**RECEIVED**  
**FEB 06 2008**  
DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**CONFIDENTIAL**

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UIT-EDA-001-000
2. NAME OF OPERATOR: FIML Natural Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute
3. ADDRESS OF OPERATOR: 410 17th Street Ste 900 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL 1,932' FWL		8. WELL NAME and NUMBER: Ute Tribal 3-28-1319
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 28 13S 19E		9. API NUMBER: 4304737641
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for drilling permit extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FIML Natural Resources, LLC requests the permit to drill be extended. Further evaluation of the area is needed prior to drilling this well. Request for permit extension validation form is attached.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-10-09  
By: [Signature]

COPY SENT TO OPERATOR

Date: 2-11-2009

Initials: KS

NAME (PLEASE PRINT) Elaine Winick	TITLE Regulatory Specialist
SIGNATURE [Signature]	DATE 2/5/2009

(This space for State use only)

RECEIVED

FEB 09 2009

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-37641  
**Well Name:** Ute Tribal #3-28-1319  
**Location:** NENW 660' FNL 1,932' FWL Sec 28 T13S R19E  
**Company Permit Issued to:** FIML Natural Resources, LLC  
**Date Original Permit Issued:** 1/30/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Elaine Minich  
Signature

2/5/2009

Date

Title: Regulatory Specialist

Representing: FIML Natural Resources, LLC

**RECEIVED**  
**FEB 09 2009**  
DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**CONFIDENTIAL**

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UIT-EDA-001-000
2. NAME OF OPERATOR: FIML Natural Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute
3. ADDRESS OF OPERATOR: 410 17th Street Ste 900 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' FNL 1,932' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 28 13S 19E		8. WELL NAME and NUMBER: Ute Tribal 3-28-1319
PHONE NUMBER: (303) 899-5603		9. API NUMBER: 4304737641
		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: Uintah

STATE: UTAH

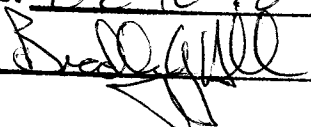
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for drilling permit extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FIML Natural Resources, LLC requests the permit to drill be extended. Further evaluation of the area is needed prior to drilling this well. Request for permit extension validation form is attached.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-10-10  
By: 

COPY SENT TO OPERATOR

Date: 2-11-2010  
Initials: KS

NAME (PLEASE PRINT) Elaine Winick	TITLE Regulatory Specialist
SIGNATURE 	DATE 2-5-2010

(This space for State use only)

RECEIVED

FEB 09 2010

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-37641  
**Well Name:** Ute Tribal #3-28-1319  
**Location:** NENW 660' FNL 1,932' FWL Sec 28 T13S R19E  
**Company Permit Issued to:** FIML Natural Resources, LLC  
**Date Original Permit Issued:** 1/30/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

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Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Elaine Minter  
Signature

2-5-2010  
Date

**Title:** Regulatory Specialist

**Representing:** FIML Natural Resources, LLC

**RECEIVED**  
**FEB 09 2010**  
DIV. OF OIL, GAS & MINING

## Earlene Russell - Drill Permits in the "Naval Reserve"

---

**From:** Earlene Russell  
**To:** Elaine Winick; Mark Bingham  
**Date:** 5/12/2010 10:28 AM  
**Subject:** Drill Permits in the "Naval Reserve"  
**CC:** Brad Hill; Diana Mason; Jean Sweet; Randy Thackeray  
**Attachments:** Naval Reserve Bond.pdf

---

Dear Elaine and Mark,

Years ago the "Naval Reserve Area" was given to the Tribe by the United States Government as FEE SIMPLE property and it includes the minerals. A separate blanket bond was provided by FIML for these wells. DOGM monitors the permitting for this area to insure the wells are properly cased, etc.

The APDs FIML submits in this area (Uintah County, Townships 12S and 13S, Range 19E) should be submitted as Fee minerals, rather than Indian minerals. The bond number for the wells in the Naval Reserve is bond number 81918314 (copy attached) and bond type is State/Fee (5).

Based on the above information, DOGM's database has been changed to show fee minerals and the bond number 81918314. This includes the two new pending permits "Horn Frog".

If you have any questions, please call me at (801) 538-5336.

Earlene Russell  
Division of Oil, Gas & Mining  
PO Box 145801  
Salt Lake City, UT 84114-5801  
or  
1594 W North Temple, Suite 1210  
Salt Lake City, UT 84116  
Phone (801) 538-5336  
Fax (801) 359-3940  
e-mail earlenerussell@utah.gov

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UIT-EDA-001-000
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE
<b>2. NAME OF OPERATOR:</b> FIML NATURAL RESOURCES, LLC (FNR)		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 410 17th Street Ste 900 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> UTE TRIBAL 3-28-1319
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 1932 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 28 Township: 13.0S Range: 19.0E Meridian: S		<b>9. API NUMBER:</b> 43047376410000
<b>PHONE NUMBER:</b> 303 893-5077 Ext		<b>9. FIELD and POOL or WILDCAT:</b> NAVAL RESERVE
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 12/31/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px; vertical-align: middle;"></span>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 FIML Natural Resources, LLC requests the permit to drill be extended. Further evaluation of the area is needed prior to drilling this well. Request for permit extension validation form is attached.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 01/24/2011

By:

<b>NAME (PLEASE PRINT)</b> Karin Kuhn	<b>PHONE NUMBER</b> 303 899-5603	<b>TITLE</b> Sr. Drilling Technician
<b>SIGNATURE</b> N/A		<b>DATE</b> 1/20/2011



## The Utah Division of Oil, Gas, and Mining

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

### Request for Permit Extension Validation Well Number 43047376410000

**API:** 43047376410000

**Well Name:** UTE TRIBAL 3-28-1319

**Location:** 0660 FNL 1932 FWL QTR NENW SEC 28 TWNP 130S RNG 190E MER S

**Company Permit Issued to:** FIML NATURAL RESOURCES, LLC (FNR)

**Date Original Permit Issued:** 1/30/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Signature:** Karin Kuhn

**Date:** 1/20/2011

**Title:** Sr. Drilling Technician **Representing:** FIML NATURAL RESOURCES, LLC (FNR)

**RECEIVED** January 20, 2011

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UIT-EDA-001-000
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b> UTE
<b>2. NAME OF OPERATOR:</b> FIML NATURAL RESOURCES, LLC (FNR)		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 410 17th Street Ste 900 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> UTE TRIBAL 3-28-1319
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0660 FNL 1932 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 28 Township: 13.0S Range: 19.0E Meridian: S		<b>9. API NUMBER:</b> 43047376410000
<b>PHONE NUMBER:</b> 303 893-5077 Ext		<b>9. FIELD and POOL or WILDCAT:</b> NAVAL RESERVE
<b>COUNTY:</b> Uintah		<b>STATE:</b> UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>12/31/2012</b>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"><input type="checkbox"/> ACIDIZE</div> <div style="width: 33%;"><input type="checkbox"/> ALTER CASING</div> <div style="width: 33%;"><input type="checkbox"/> CASING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE TUBING</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL NAME</div> <div style="width: 33%;"><input type="checkbox"/> CHANGE WELL STATUS</div> <div style="width: 33%;"><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</div> <div style="width: 33%;"><input type="checkbox"/> CONVERT WELL TYPE</div> <div style="width: 33%;"><input type="checkbox"/> DEEPEN</div> <div style="width: 33%;"><input type="checkbox"/> FRACTURE TREAT</div> <div style="width: 33%;"><input type="checkbox"/> NEW CONSTRUCTION</div> <div style="width: 33%;"><input type="checkbox"/> OPERATOR CHANGE</div> <div style="width: 33%;"><input type="checkbox"/> PLUG AND ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> PLUG BACK</div> <div style="width: 33%;"><input type="checkbox"/> PRODUCTION START OR RESUME</div> <div style="width: 33%;"><input type="checkbox"/> RECLAMATION OF WELL SITE</div> <div style="width: 33%;"><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> REPERFORATE CURRENT FORMATION</div> <div style="width: 33%;"><input type="checkbox"/> SIDETRACK TO REPAIR WELL</div> <div style="width: 33%;"><input type="checkbox"/> TEMPORARY ABANDON</div> <div style="width: 33%;"><input type="checkbox"/> TUBING REPAIR</div> <div style="width: 33%;"><input type="checkbox"/> VENT OR FLARE</div> <div style="width: 33%;"><input type="checkbox"/> WATER DISPOSAL</div> <div style="width: 33%;"><input type="checkbox"/> WATER SHUTOFF</div> <div style="width: 33%;"><input type="checkbox"/> SI TA STATUS EXTENSION</div> <div style="width: 33%;"><input checked="" type="checkbox"/> APD EXTENSION</div> <div style="width: 33%;"><input type="checkbox"/> WILDCAT WELL DETERMINATION</div> <div style="width: 33%;"><input type="checkbox"/> OTHER</div> </div>
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	
<input type="checkbox"/> <b>OTHER:</b> <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FIML Natural Resources, LLC requests the permit to drill be extended.  
 Further evaluation of the area is needed prior to drilling this well.  
 Request for permit extension validation form is attached.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**Date:** January 26, 2012

**By:**

<b>NAME (PLEASE PRINT)</b> Kristi Stover	<b>PHONE NUMBER</b> 303 893-5084	<b>TITLE</b> Sr Drilling Technician
<b>SIGNATURE</b> N/A	<b>DATE</b> 1/23/2012	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047376410000**

API: 43047376410000

Well Name: UTE TRIBAL 3-28-1319

Location: 0660 FNL 1932 FWL QTR NENW SEC 28 TWNP 130S RNG 190E MER S

Company Permit Issued to: FIML NATURAL RESOURCES, LLC (FNR)

Date Original Permit Issued: 1/30/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☒ Yes ☐ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

Signature: Kristi Stover

Date: 1/23/2012

Title: Sr Drilling Technicain Representing: FIML NATURAL RESOURCES, LLC (FNR)

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>  5. LEASE DESIGNATION AND SERIAL NUMBER: UIT-EDA-001-000
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: UTE TRIBAL 3-28-1319	
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3. ADDRESS OF OPERATOR: 410 17th Street Ste 900 , Denver, CO, 80202		9. FIELD and POOL or WILDCAT: NAVAL RESERVE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0660 FNL 1932 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 28 Township: 13.0S Range: 19.0E Meridian: S		COUNTY: UTAH
		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 12/31/2013	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
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	<input type="checkbox"/> FRACTURE TREAT	
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	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input checked="" type="checkbox"/> APD EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. FIML Natural Resources, LLC requests the permit to drill be extended. Further evaluation of the area is needed prior to drilling this well. Request for permit extension validation form is attached.		
Approved by the Utah Division of Oil, Gas and Mining		
Date: <u>02-19-2013</u> By: <u>[Signature]</u>		
NAME (PLEASE PRINT) Kristi Stover		PHONE NUMBER 303 893-5084
SIGNATURE N/A		TITLE Sr Drilling Technicain  DATE 1/30/2013



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43047376410000**

API: 43047376410000

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Signature: Kristi Stover

Date: 1/30/2013

Title: Sr Drilling Technicain Representing: FIML NATURAL RESOURCES, LLC (FNR)



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 12, 2014

FIML Natural Resources, LLC (FNR)  
410 17th Street, Ste. 900  
Denver, CO 80202

Re: APD Rescinded – Ute Tribal 3-28-1319, Sec. 28, T. 13S, R. 19E  
Uintah County, Utah API No. 43-047-37641

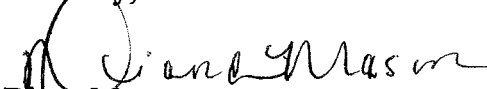
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 30, 2006. On February 7, 2007, February 7, 2008, February 10, 2009, May 11, 2010, January 24, 2011, January 26, 2012 and February 19, 2013 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 12, 2014.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal

